THE VERIZON TELEPHONE COMPANIES

TARIFF F.C.C. No. 1

New Jersey DSL NRC Rate Reduction

DESCRIPTION AND JUSTIFICATION

Transmittal No. 500

October 8, 2004

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1.1 INTRODUCTION

With this filing, Verizon¹ submits supporting information for a price cap rate change filing.

¹ The Verizon entities which are affected by this filing are: Verizon New Jersey.

The supporting documentation contains material in support of a price cap rate change.

1.2 DESCRIPTION AND JUSTIFICATION

In this part of the filing, Verizon provides tariff pages and supporting documentation to show the rate reduction to the Non-Recurring charge for DSL installation. Additional rate changes for services that were introduced in 2004 are included in this Transmittal but are not included in the Price Cap documentation because services introduced in 2004 do not come under the cap until the 2005 Annual Filing.

In addition to the tariff pages, Verizon is also providing the necessary price cap supporting workpapers. Workpaper SA Rates and Revenues demonstrates the rate reduction changes.

This filing will allow Verizon to align New Jersey with the rest of the Verizon footprint.

SECTION 2

2.1 COMPLIANCE WITH RULES

Support information as specified in Sections 61.49 of the Commission's Rules is attached. The support documentation contains the necessary Workpapers, as well as the Tariff Review Plan (TRP).

In this filing, the non-recurring rate element is reduced from \$99 to \$60. This change results in revenues being lowered by \$3.9M. Workpapers providing documentation for this rate change are found in the Workpaper SA Rates and Revenues and Workpaper Revenue Summary.

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In addition, the TRP also reflects the rate change.

SECTION 3

3.1 WORKPAPERS AND TARIFF REVIEW PLANS

INTRODUCTION

The Verizon companies have provided the necessary detail to support the calculations of indices in various workpapers. The following is the index of such workpapers.

Workpaper Index

Workpaper Revenue Summary Revenue Summary

Workpaper SA Rates and Revenues Rates and Revenues—Special Access Basket

Tariff Review Plan

ANALYZER	TRP Analyzer
BNTR IND-1	Price Cap Indices Display-Verizon-East
BNTR PCI-1	Price Cap Index Calculations-Verizon-East
BNTR TGT	Targeting: Inputs and Aggregate Target-Verizon-East
NXTR TGT	Targeting: Inputs and Aggregate Target-Verizon-East, North, FCC No. 11
BATR TGT	Targeting: Inputs and Aggregate Target -Verizon-East, South, FCC No. 1
BNTR SUM-1	Price Out Summary-Verizon-East
NXTR SUM-1	Price Out Summary-Verizon-East, North, FCC No. 11
BATR SUM-1	Price Out Summary-Verizon-East, South, FCC No. 1
BNTR EXG-1	Exogenous Cost Changes-Verizon-East
BNTR EXG-2	Net Exogenous Cost Shifts-Verizon-East

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BNTR RTE-1 Rate Detail-Verizon-East **NXTR RTE-1** Rate Detail-Verizon-East, North, FCC No. 11 Pages 2-40 **BATR RTE-1** Rate Detail-Verizon-East, South, FCC No. 1 Calculation of EUCL Limit, PICC and CCL Rates—Verizon-East CAP-1 (BNTR) CAP-2 (BNTR) Manual Input of EUCL rates-Verizon-East CAP-3 (BNTR) Calculation of Minimum and Maximum End User Rates-Verizon-East CAP-4 (BNTR) Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East Verification of Recovered CMT Revenue-Verizon-East CAP- 5 (BNTR) **NXTR RTE-1J** Rate Detail-Verizon-East, North, FCC No. 11 Page 1 Calculation of EUCL Limit, PICC and CCL Rates NXTR CAP-1J Manual Input of EUCL rates-Verizon-East **NXTR CAP-2J** Calculation of Minimum and Maximum End User Rates-Verizon-East **NXTR CAP-3J NXTR CAP-4J** Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East Verification of Recovered CMT Revenue-Verizon-East NXTR CAP- 5J NXTR ANALYZER – JURIS Analyzer Page 2 DC RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1 DC CAP-1J Calculation of EUCL Limit, PICC and CCL Rates Manual Input of EUCL rates-Verizon-East DC CAP-2J DC CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East DC CAP-4J Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East DC CAP-5J Verification of Recovered CMT Revenue-Verizon-East DC ANALYZER - JURIS Analyzer Page 2 MD RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1 MD CAP-1J Calculation of EUCL Limit, PICC and CCL Rates Manual Input of EUCL rates-Verizon-East MD CAP-2J Calculation of Minimum and Maximum End User Rates-Verizon-East MD CAP-3J Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East MD CAP-4J MD CAP-5J Verification of Recovered CMT Revenue-Verizon-East MD ANALYZER - JURIS Analyzer Page 2 VA RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1 VA CAP-1J Calculation of EUCL Limit, PICC and CCL Rates Manual Input of EUCL rates-Verizon-East VA CAP-2J VA CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East VA CAP-4J Verification of Recovered CMT Revenue-Verizon-East VA CAP-5J Analyzer Page 2 VA ANALYZER – JURIS WV RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1 WV CAP-1J Calculation of EUCL Limit, PICC and CCL Rates Manual Input of EUCL rates-Verizon-East WV CAP-2J WV CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East WV CAP-4J Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East WV CAP-5J Verification of Recovered CMT Revenue-Verizon-East WV ANALYZER – JURIS Analyzer Page 2 DE RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1 DE CAP-1J Calculation of EUCL Limit, PICC and CCL Rates DE CAP-2J Manual Input of EUCL rates-Verizon-East DE CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East DE CAP-4J DE CAP-5J Verification of Recovered CMT Revenue-Verizon-East DE ANALYZER - JURIS Analyzer Page 2 NJ RTE-1J Rate Detail-Verizon-East, North, FCC No. 1 Page 1

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NJ CAP-1J Calculation of EUCL Limit, PICC and CCL Rates

NJ CAP-2J Manual Input of EUCL rates-Verizon-East

NJ CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East
NJ CAP-4J Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East

NJ CAP- 5J Verification of Recovered CMT Revenue-Verizon-East

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PA CAP-1J Calculation of EUCL Limit, PICC and CCL Rates

PA CAP-2J Manual Input of EUCL rates-Verizon-East

PA CAP-3J Calculation of Minimum and Maximum End User Rates-Verizon-East PA CAP-4J Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East

PA CAP- 5J Verification of Recovered CMT Revenue-Verizon-East

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Supplemental TRP Percent Change in Revenues by Band BATR-Verizon-East, South **Supplemental TRP** Percent Change in Revenues by Band NXTR-Verizon-East, North